

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE		PAGE 1 OF 10	
2. AMENDMENT/MODIFICATION NO A001		3. EFFECTIVE DATE March 4, 2009		4. REQUISITION/PURCHASE REQ NO.	
6. ISSUED BY CODE		7. ADMINISTERED BY (If other than Item 6) CODE		5. PROJECT NO (If applicable) 1 10	
FAA, MIKE MONRONEY AERONAUTICAL CENTER Aviation, Medical, & Training Team (AMQ-310) P O BOX 25082 OKLAHOMA CITY OK 73125			FOR MORE INFORMATION CONTACT: Name: Avis Franklin Telephone No. (405) 954-7836 FAX No. (405) 954-3030		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)			(X) 9A. AMENDMENT OF SOLICITATION NO		
			9B. DATED (SEE ITEM 11)		
			10A. MODIFICATION OF CONTRACT DTFAAC-09-R-01792		
			10B. DATED (SEE ITEM 13)		
CODE		FACILITY CODE			
<b>11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS</b>					
(x) The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended, [ XX ] is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning [ 1 ] copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
<b>12. ACCOUNTING AND APPROPRIATION DATA: NA</b>					
<b>13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.</b>					
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.					
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).					
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:					
D. OTHER (Specify type of modification and authority)					
E. <b>IMPORTANT:</b> Contractor [ ] is not, [ X ] is required to sign this document and return [ 1 ] copies to the issuing office.					
<b>14. DESCRIPTION OF AMENDMENT/MODIFICATION</b>					
SIR amendment 001 includes pages 1-10 (summary, clause language and attachment 5). The close date for submitting the response remains unchanged (4:00 PM, March 17, 2009).					
Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect					
15A. NAME AND TITLE OF SIGNER (Type or print)			16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)		
			AVIS FRANKLIN		
15B. CONTRACTOR/OFFEROR		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA	
(Signature of person authorized to sign)				BY:	
				(Signature of Contracting Officer)	
				16C. DATE SIGNED	

This amendment is issued to incorporate the contract clauses and correct the SIR DTFAAC-09-R-01792. The amendment is summarized below and clauses are provided as an attachment. The amendment will be reflected in the award document.

**1. Section C added**

RETURN TO SERVICE AND REPORTING OF FAILURE DATA (JAN 1997)      CLA.1223

**2. Section F added**

PERFORMANCE TIMES (JAN 1997)      CLA.1814

**3. Section G added**

REPORTS AND RECORDS (JAN 1997)      CLA.1810

**4. Corrected Payment Clause**

(3) One copy to:      FAA Mike Monroney Aeronautical Center  
                                 **Quality Control Team, AJW-342**  
                                 P.O. Box 25082  
                                 Oklahoma City, OK 73125

**5. Section H added**

DIRECT HOURLY LABOR RATE (JAN 1997)      CLA.0125  
NOTICE OF CONTRACTOR TESTIMONY (SEPTEMBER 2006)      CLA.4555

**6. Section J -- Added CLA 0125 Negotiated Direct Hourly Rates --Attachment 5**

**7. Section M – Corrected the reference in M.3.2 (TI 4100.24), and to M.4 Provision**

**M.3.2 TECHNICAL FACTOR 2** – Demonstration of compliance with FAR Part 145, AVN General Maintenance Manual TI 4100.24, Chapter III.17, and Technical Qualifications for the Repair Facility Subcontractor (if proposed), and a valid FAA repair Station Certificate issued under FAR Part 145.

M-4 (1) Completeness - Review of the proposal to ensure data provided is sufficient to allow complete analysis and evaluation of proposed costs and includes all information as requested in Section L, Provision L.5 entitled Price Proposal – Volume III. Proposals (whether initial or revised submissions), which are unreasonably low, may be eliminated from further competition on the grounds of the Offeror's failure to comprehend contract requirements.

SIR DTFA-09-R-01792

Attachment 5

Page 1 of 1

NEGOTIATED DIRECT HOURLY LABOR RATES

Screening Information Request DTFA-09-R-01792

NOTICE: This document corresponds to Clause H.@05, Direct Hourly Labor Rate, and must be completed by each prospective contractor and returned as part of their proposal/best and final offer. The direct hourly rate set forth below is the direct labor portion of the negotiated composite/billing rate shown in Section B.

<u>LABOR CATEGORY</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>	<u>YEAR 5</u>
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C. \_\_\_\_\_ RETURN TO SERVICE AND REPORTING OF FAILURE DATA (JAN 1997)  
CLA.1223

(a) Evidence of approval for return to service shall be furnished by the contractor for each unit serviced or furnished under this contract. Such evidence must utilize the following forms, as applicable:

(1) For units undergoing major repair, as defined by Federal Aviation Regulations (FAR), work must be performed in accordance with appropriate procedures, manual, or specifications that have been determined acceptable to the FAA Administrator, and a FAA Form 337, or Maintenance Release and Work Order as applicable by certified repair station shall be executed.

(2) For units undergoing major alteration, as defined by Federal Aviation Regulations (FAR), work must be performed in accordance with data approved by the FAA Administrator, and a FAA Form 337 shall be executed.

(3) For all other units serviced, the contractor shall complete one of the following and attach to each unit:

(i) A properly executed maintenance release in accordance with FAR 43, Appendix B,

(ii) A maintenance record or a signed copy of the manufacturer's work order, if contractor does not possess a FAA Repair Station Certificate under FAR Part 145, but performs maintenance, including rebuilding or alterations, pursuant to provisions of FAR Part 43,

(iii) A work order or summary of work performed for units and regulations of the FAR (non-aircraft systems or uncertified units),

(iv) A maintenance release, if contractor is an appropriately certificated air carrier, which must include the following:

(a) brief description of work accomplished

(b) air carrier certificate number

(c) signature of authorized person approving unit for return to service.

(v) If the contractor is an appropriately certificated air carrier, a maintenance release must be issued. The air carrier certificate number, shown on the maintenance release, along with a copy of the work order completed in accordance with paragraph (b), will be acceptable.

(b) The work order furnished shall include at least the following information: [Caution: This information must be furnished to preclude nonacceptance of the overhauled unit(s).]

(1) Part number, serial number, and nomenclature of the unit;

(2) The number of the FAA delivery order authorizing the work;

(3) A description of the work performed in such detail that the type and extent of such work can be readily ascertained;

(4) A listing by part number and nomenclature of all significant parts replaced;

(5) Reference to applicable technical data providing approved instructions and procedures for the work performed;

(6) Verification of the reparable parts tag statement of unserviceability;

(7) Contractor evaluation of the general condition of the unit as found during disassembly and inspection;

(8) Date of completion of the work performed;

(9) Name of the person performing work, if other than the person specified in 10 below; and

- (10) Signature, certificate number, and kind of certificate held if work accomplished by an individual.
- (c) In addition, the contractor shall furnish appropriate work orders and available serviceable parts tags for all engine and propeller parts serviced under the terms of the contract.
- (1) The contractor shall provide Maintenance Release and Work Order for all cycle limited components replaced. These tags may be either the originals or copies, but must contain information that will document the current status and number of cycles of the components, including Time Since New (TSN), Time Since Overhaul (TSO), Cycles Since New (CSN) and Cycles Since Overhaul (CSO); and
- (2) The contractor shall provide Maintenance Release and Work Order for hard-time components. These parts tags indicating repair, replacement Time Since Overhaul (TSO), Time Since New (TSN), Total Landings, and Landings Since Overhaul of components should be included in all engine record documentation packages.
- (3) The contractor shall provide Maintenance Release and Work Order for all parts overhauled on an "on condition" basis, and any other items worked.
- (d) The serviceable tag and maintenance release shall be signed by a person having authority pursuant to the FAR to return the unit to service, and the number of the person's certificate (or the certificate number of the repair facility) and date of completion shall be shown,
- (e) Submission of Forms: For units serviced, the applicable forms shall be placed in a plastic envelope and secured to the outside of the item container. An envelope conforming to PPP-E-540 or commercial equivalent may be used. Failure to furnish required documentation with the serviced unit will be cause for its rejection.

F.          PERFORMANCE TIMES (JAN 1997)

CLA.1814

- (a) The term "performance time" as used herein is deemed to commence:
- (1) As to furnishing an "Engine Condition Report" and "Teardown Analysis Report for the Purpose of Escalation of Time Interval": at the close of the first day on which the contractor has received both the engine or QEC and a delivery order authorizing the contractor to initiate work or in those cases where the Government representative participates in teardown, at the close of the first day on which teardown is complete.
- (2) As to any overhaul, heavy maintenance, or "disassembly, cleaning, inspection, reassembly and test": at the close of the first day on which the contractor has received both the item requiring such work and a delivery order containing the appropriate authorization to proceed or in those cases where the Government representative participates in teardown, at the close of the first day on which teardown is complete.
- (3) As to any maintenance operation, repair, modification or Service Bulletin accomplishment: at the close of the first day when the contractor has both the item to be serviced and the Contracting Officer's direction to proceed with each individual task, repair or modification or in those cases where the Government representative participates in teardown, at the close of the first day on which teardown is complete.
- (4) As to unit exchange or purchase of parts in support of FAA maintenance: upon the receipt of verbal notice given by the Contracting Officer (accompanied by a delivery order number), or a written delivery order.
- (5) As to rental service: upon the receipt of verbal instructions given by the Contracting Officer or his/her authorized representative to initiate such service.
- (6) As to furnishing field services: at the close of the first day of contractor's receipt of verbal instructions given by the Contracting Officer requesting the services.

(b) Performance Time Periods:

Calendar Days

- |  |          |
|--|----------|
| (1) For the furnishing of an "Engine Condition Report."  | 10       |
| (2) For the furnishing of a "Teardown Analysis Report for the Purpose of Escalation of Time Interval."   | 20       |
| (3) For the completion of overhaul or heavy maintenance of an engine or QEC.   | 30       |
| (4) For the completion of overhaul accessories.  | 20       |
| (5) For the completion of maintenance operations, repair, modification work, or Service Bulletin accomplishment on any engine, QEC, accessory, or component. | 20       |
| (6) For the furnishing of parts to support FAA emergency maintenance.  | 24 hours |
| (7) For the shipment of unit exchange items.   | 24 hours |
| (8) For the initiation of rental service.  | 24 hours |
| (9) For the initiation of field services.  | 24 hours |
- (c) Performance time, as to any item or group of items set forth above, is deemed completed only when the item or items are suitably packaged for the intended transportation and placed at a shipping point designated by the Contracting Officer.

G.\_\_\_\_ REPORTS AND RECORDS (JAN 1997)

CLA.1810

- (a) The FAA shall forward up-to-date engine historical records to the contractor at the time of shipment of each engine or QEC assembly. Engine historical records will include a listing of life-limited parts indicating the part number, nomenclature, location, serial number, total operating hours, and total cycles accumulated. Separate assemblies, subassemblies, or parts input to the contractor will be tagged to show item identification and condition where applicable, the operating hours since new or last overhaul, and accumulated cycles.
- (b) The contractor shall enter on the historical records all FAA airworthiness directives, manufacturer's service bulletins or other modifications, and all other significant maintenance actions he accomplishes. In addition, he shall record as previously complied with all such modifications found to be previously accomplished but not recorded. He shall record accomplishment of such modifications whether the intent of the modifications were performed under the contractor's specifications, FAA specifications or engineering orders, or by replacement of parts due to normal attrition. The contractor shall indicate on the historical records the nomenclature, part number, location, total time, and total cycles, accumulated for all replacement life-limited parts, he installs. Entries on historical records pertaining to compliance with FAA airworthiness directives, manufacturers' service bulletins, or other modifications will be in such detail that the method and extent of compliance can be readily ascertained.
- (c) The contractor shall furnish an Engine Condition Report not later than 20 calendar days after receipt of the item and a Teardown Analysis Report not later than 10 calendar days after receipt of the item, in triplicate to the Contracting Officer for each engine or QEC assembly.

(d) When requested by the Contracting Officer, the contractor shall furnish to the Contracting Officer a status and progress report for FAA engines being worked or repaired.

(e) Evidence of approval for return to service shall be furnished by the contractor for each unit serviced under this contract. Such evidence must utilize the following applicable forms:

(1) If an engine or QEC undergoes a major repair or alteration, an FAA Form 337 shall be executed in duplicate in accordance with instructions in current issue of FAA Advisory Circular No. AC 43.9-1.

(2) If other units undergo a major repair or major alteration [as defined by Federal Aviation Regulations (FAR)] in accordance with any procedure, manual, or specification not previously found acceptable to the FAA Administrator, an FAA Form 337 shall be similarly executed.

(3) For all other units serviced, the contractor shall complete one of the following and attach to each unit:

(i) An approved FAA Form 337 in duplicate; or

(ii) A Serviceable Tag and Maintenance Release completed in accordance with FAR Part 43, Appendix B;

(iii) A maintenance record or a signed copy of the manufacturer's work order shall be attached by manufacturers who do not possess an FAA Repair Station Certificate, but perform maintenance rebuilding or alterations pursuant to provisions of FAR Part 43 Section 43.3(i); or

(iv) A Serviceable Tag with a work order completed in accordance with paragraph (f) for units not under the rules and regulations of the FAR's (nonaircraft systems); or

(v) If the contractor is an air carrier, a maintenance release showing the air carrier certificate number will be acceptable with a copy of the work order completed in accordance with paragraph (f).

(f) The contractor shall CONCURRENTLY PROVIDE A SIGNED COPY OF THE CONTRACTOR'S OWN WORK ORDER on which work last accomplished on the unit was recorded. The work order furnished shall include at least the following information: [Caution: This information must be furnished to preclude nonacceptance of the overhauled unit(s).]

(1) Part number, serial number, and nomenclature of the unit;

(2) The number of the FAA delivery order authorizing the work;

(3) A description of the work performed in such detail that the type and extent of such work can be readily ascertained;

(4) A listing by part number and nomenclature of all significant parts replaced;

(5) Reference to applicable technical data providing approved instructions and procedures for the work performed;

(6) Verification of the reparable parts tag statement of unserviceability; and

(7) Contractor evaluation of the general condition of the unit as found during disassembly and inspection.

(g) In addition, the contractor shall furnish appropriate work orders and available serviceable parts tags for all engine and propeller parts serviced under the terms of the contract.

(1) The contractor shall provide appropriate work orders and serviceable parts tags for all cycle limited components replaced. These tags may be either the originals or copies, but must contain information that will document the current status and the number of cycles of the components, including Time Since New (TSN), Time Since Overhaul (TSO), Cycles Since New (CSN) and Cycles Since Overhaul (CSO); and

(2) The contractor shall provide appropriate work orders and parts tags for hard-time components. These parts tags indicating repair, replacement Time Since Overhaul (TSO), and Time Since New (TSN) of components shall be included in all engine record documentation packages.

(3) The contractor shall provide appropriate work orders and component parts tags for all parts overhauled on an "on condition" basis, and any other items worked.

(h) For units being retained by the contractor through a unit exchange procedure or other reason, the contractor shall prepare a summary of teardown analysis report for the FAA item and return it in accordance with paragraph

- (h).
- (i) Return of FAA and contractor forms:
  - (1) For units serviced to be returned to the FAA, forms (whether an FAA Form 337, a serviceable part tag, or contractor's work order) shall be attached to the units as follows:
    - (i) Serviceable part tags shall be attached to a unit by wire or string.
    - (ii) All other forms will be placed in an envelope, which itself must be taped or fastened to (A) the unit, or (B) an individual package containing the unit.
  - (2) If the unit is being furnished through a unit exchange procedure, the documents required in accordance with paragraph (e) shall accompany the exchanged unit as set forth in paragraph (h). The "Summary of Teardown Analysis Report" prepared by the contractor will be mailed to the FAA's Quality Assurance Section (address below) promptly after such incoming unit is processed.
  - (3) If, for any reason, the Contracting Officer directs the contractor not to ship a unit to the FAA, the contractor shall mail the documents within 10 days to:

DOT, Federal Aviation Administration  
Aviation System Standards  
Quality Assurance Branch (AJW-342)  
P.O. Box 25082  
Oklahoma City, OK 73125

- (j) If the contractor believes that it is infeasible or uneconomical to the Government to attempt to return a unit to service, the following procedures shall apply:
  - (1) A detailed recommendation by the contractor shall be furnished to the Contracting Officer within 15 calendar days after receipt of the unit.
  - (2) The Contracting Officer will then provide appropriate instructions to the contractor.
  - (3) If the unit is not to be serviced, the contractor shall attach a reparable or condemned parts tag to the unit and return it to the FAA.
- (k) The contractor shall indicate the operating time since new or overhaul on the evidence of approval for return to service for each separate engine or QEC component repaired or modified (not overhauled) under the terms of the contract, provided the operating times since new or overhaul are furnished with the item by the FAA.
- (l) Updated engine historical records shall be returned with each engine or QEC worked or repaired, or be mailed within 7 calendar days after engine is shipped.
- (m) The contractor shall furnish to the FAA, for each engine or QEC worked or repaired, an engine parts monitoring log, listing all critical parts inspected or replaced by him. Parts shall include, but are not limited to, all parts in the gas stream, (applicable to jet engines only), major structural parts, bearing, and main drive shafts. Minimum data shall include engine serial number, total time, date of heavy maintenance or repair, manufacturer's part number (or contractor's part number of part modified to differ from manufacturer's part number), quantity, serial number, part total time (if known), part nomenclature, and remarks.
- (n) Contractor shall furnish to the FAA for its use a copy of each contractor documentation which identifies compliance with the manufacturer's service bulletin, when the compliance method is significantly different than that recommended in the service bulletin. A copy of any contractor FAA-approved modification which significantly changes the function, integrity, or configuration of any part or assembly in the engine shall be furnished to the FAA for its use.

**H.\_\_\_\_ DIRECT HOURLY LABOR RATE (JAN 1997)**

**CLA.0125**

The purpose of this clause is to require the contractor to pay the labor rates which were negotiated and set forth in this contract. It is agreed by the parties that such rates represent adequate



compensation to attract the competence levels in each labor category necessary for successful contract performance.

- (a) The contractor agrees to pay all employees a direct hourly labor rate for each labor category required by Section B, Schedule of Supplies/Services and Prices/Costs, whose weighted average is no less than 98 percent of the final negotiated direct labor rate (the direct labor portion of the negotiated composite/billing rate) for each labor category.
- (b) Weighted averages (i.e., labor dollars paid divided by the direct labor hours billed under each labor category) shall be computed by the contractor on a cumulative basis for each billing period and this information provided to the Contracting Officer in three month intervals, as a minimum.
- (c) The contractor shall include a clause substantially the same as this in any subcontract for labor awarded for work under this contract. Wage rates paid to all subcontractor employees performing in the required labor categories are covered by this clause.
- (d) Failure to pay the specified weighted average labor rates for each labor category, on a cumulative annual basis, shall constitute a variance from the contract requirements. Any credit to the Government shall be shown on the final invoice for the initial contract term and each renewal option period term. Credits shall be computed for each labor category on which the cumulative weighted average labor rate is less than 98 percent of the final negotiated direct hourly labor rate. No adjustment shall be made if the weighted average direct hourly labor rate for the labor category exceeds 98 percent of the final negotiated rates.

NOTE:

Prospective contractors must complete the attachment entitled "Negotiated Direct Hourly Labor Rates" and return as part of their proposal/best and final offer.

EXAMPLE

(This example assumes a final negotiated direct labor rate of \$21.50/hr for Skill I, taken from a separate listing of such rates; and a billing rate of \$38.00/hr taken from Section B, Supplies or Services and Prices/Cost. For Skill II, the final negotiated direct labor rate is assumed to be \$18.75/hr and a billing rate of \$32.00/hr.)

<u>Actual Labor</u> <u>Labor Category</u>	<u>Hours</u> <u>Rate Paid</u>	<u>Total Labor</u> <u>Worked</u>	<u>Dollars</u>
Contract Skill I Employee A - \$22.00		100	\$ 2,200.00
Employee B - \$20.00	100	2,000.00	
Employee C - \$19.00	100	1,900.00	
Employee D - \$19.50	<u>100</u>	<u>1,950.00</u>	
Invoice Total	400	\$ 8,050.00	
Previous Totals (All other invoices)		<u>4,000</u>	<u>79,950.00</u>
Cumulative Total	<u>4,400</u>	<u>\$88,000.00</u>	
Cumulative Weighted Average: $\$88,000 / 4,400 \text{ hours} = \$20.00$			
Cumulative Amount Billed: $\$38.00 \times 4,400 \text{ hours} = \$167,200$			
Contract Skill II Employee G - \$18.00		100	\$ 1,800.00
Employee H - \$19.00	100	1,900.00	
Employee J - \$18.50	<u>100</u>	<u>1,850.00</u>	
Invoice Total	300	\$ 5,550.00	
Previous Totals (All other invoices)		<u>4,000</u>	<u>74,400.00</u>

Cumulative Total                      4,300                      \$79,950.00

Cumulative Weighted Average     $\$79,950 / 4,300 \text{ hours} = \$18.59$

Cumulative Amount Billed:  $\$32.00 \times 4,300 \text{ hours} = \$137,600$

#### Final Billing Adjustment

##### Skill I

Wage ratio 93% ( $\$20.00/\$21.50$ ), Variance 7% (100%-93%),

Adjustment 5% (98%-93%)

Credit to Government \$8,360 ( $\$167,200 \times 5\%$ )

##### Skill II

Wage ratio 99% ( $\$18.59/\$18.75$ ), Variance 1% (100%-99%),

Adjustment 0% (98%-99%)

Credit to Government \$-0- ( $\$137,600 \times 0\%$ )

#### **H. \_\_ NOTICE OF CONTRACTOR TESTIMONY (SEPTEMBER 2006) CLA.4555**

(a) The contractor shall notify the Contracting Officer promptly in writing of its intention, or the intention of its employees, subcontractors of any tier, or subcontractor employees, either voluntarily or under compulsion of competent authority, to provide sworn testimony on any matter related to or arising under the work required by and/or performed under, this contract. Such written notification at a minimum shall consist of the date and time of the testimony, identification of the court, board, or other body before which the testimony is made, the nature of the testimony to be given to the extent it is known at the time of this report, the nature of the contractor's involvement in the proceeding and any other circumstances related to the work performed under or related to the contract and the proceeding in which the testimony will be taken.

(b) The contractor shall include the substance of this clause, including this paragraph (b), in all subcontracts executed under this contract and shall require all subcontractors to provide the required report to the contractor.